

State of Alaska FY2003 Governor's Operating Budget

Department of Community & Economic Development National Program Receipts Component Budget Summary

Component: National Program Receipts

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Component Mission

1. To share with affected local governments revenues earned from activities within the Tongass and Chugach National Forests to be used for schools and roads.
2. To compensate cities in the unorganized borough for lost revenues due to the location of federal lands within their respective areas.

Component Services Provided

1. Direct financial assistance through the federal National Forest Receipts and Payment in Lieu of Taxes Programs.
2. Direct vendor payments on behalf of local governments to entities such as the Alaska Municipal League/Joint Insurance Association Inc. for insurance premiums and Yukon Fuel for bulk fuel purchases.

Component Goals and Strategies

To distribute both state and federal financial assistance in an accurate, fair, and timely manner.

Key Component Issues for FY2002 – 2003

Congress has enacted legislation (HR 2389) which will stabilize future forest receipts funding. Starting in FY 02 and continuing over the next six years, the State will receive an annual payment based on the average of the three highest payment years within FFY 86 -99. This will have a positive effect on the communities in Southeast Alaska which have been hit hard by the substantial decrease in timber harvesting within the Tongass National Forest. Payments received by eligible entities under the revised program must be used for schools, roads, and special forest related projects.

Major Component Accomplishments in 2001

Distributed Community Financial Assistance payments in an accurate, fair and timely manner.

Statutory and Regulatory Authority

AS 41.15.180	National Forest Receipts
3 AAC 32.010-.900	National Forest Receipts
3 AAC 52.100-.900	Payment in Lieu of Taxes

National Program Receipts

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	5,556.8	15,830.0	15,830.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	5,556.8	15,830.0	15,830.0
Funding Sources:			
1002 Federal Receipts	5,556.8	15,830.0	15,830.0
Funding Totals	5,556.8	15,830.0	15,830.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Federal Receipts	51010	5,556.8	15,830.0	15,830.0	15,830.0	15,830.0
Restricted Total		5,556.8	15,830.0	15,830.0	15,830.0	15,830.0
Total Estimated Revenues		5,556.8	15,830.0	15,830.0	15,830.0	15,830.0

National Program Receipts

Proposed Changes in Levels of Service for FY2003

Congress has enacted legislation (HR 2389) that will increase and stabilize future national forest receipt funding. Starting in FY 02 and continuing for six years, the Department will receive an annual payment based on the average of the three highest payment years between FFY 86 - 99. It is estimated that the annual payment to the state will be between approximately \$9 to 10 million. At this time it appears the federal appropriation for the Payment in Lieu of Taxes Program funding level will increase in FY03 to approximately \$180 to \$200 million. The division estimates that the Department's pass-through share for cities in the Unorganized Borough in FY 03 will be between approximately \$5 to 6 million. The FY02 budget was increased in anticipation of these increased revenues.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	15,830.0	0.0	15,830.0
FY2003 Governor	0.0	15,830.0	0.0	15,830.0